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MEMORANDUM FOR THE RECORD

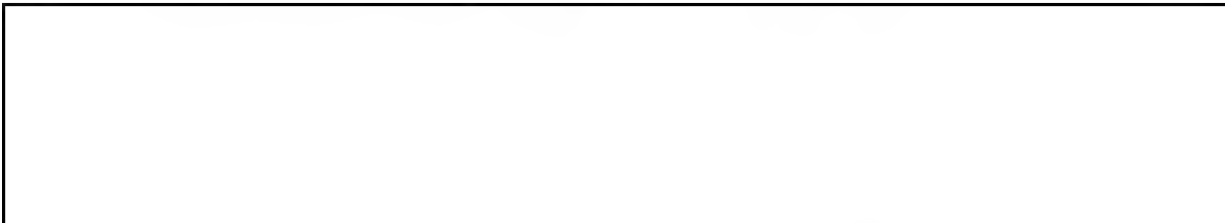
SUBJECT : Central Intelligence Agency and Department of the Air Force Basic Understandings in Connection with Procurement Under Project OXCART/KEDLOCK Contracts

- REFERENCE: (a) Department of the Air Force letter to DCI dated 11 Jan 56 signed by Trevor Gardner (TS-142960)
- (b) DCI letter to the Secretary of the Air Force dated 30 Jan 56 signed by Allen Dulles (TS-142959)
- (c) Memorandum for the Record, subject same as this Memorandum, dated 8 Feb 56 (TS-143314)
- (d) Agreement, signed by Allen Dulles and General White, Organization and Delineation of Responsibilities Project OXCART, 15 Feb 60 (TS. 4403)

1. References (a) and (b) represent the basic agreement reached between the Central Intelligence Agency and the Department of the Air Force with respect to the utilization of special CIA contractual mechanisms to procure certain supplies and services required by the Air Force. By reference (c), procurements under Project AQUATONE in support of Project OARFISH/Air Force were made to the mutual benefit and gain to the United States Government.

2. New requirements have been established, the fulfillment of which will again be to the mutual benefit of both the CIA and the Department of the Air Force. Accordingly, the general agreements as outlined by reference (c) and as reiterated herein, set forth the basic general understanding of procurement and production efforts under Project OXCART/KEDLOCK.

3. Basic general understandings are as follows:



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NRO and USAF
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b. CIA will implement the requirements set forth in writing by the authorized Air Force representative by negotiation of contracts for delivery of the required services and supplies. To assure mutual understanding, the authorized Air Force representative will certify that each contract is consistent with and in fulfillment of previously stated Air Force requirements.

c. The policies and procedures to be followed in connection with contracts negotiated on behalf of the Air Force by CIA shall be the same policies and procedures in effect on CIA contracts for similar procurements under Project OXCART. Requirements set forth by the Armed Services Procurement Regulations shall be complied with to the greatest extent possible, consistent with the unique security considerations inherent in these procurements.

d. The Air Force and CIA shall maintain close liaison on all aspects of Project OXCART/KEDLOCK and shall consult with each other, utilizing personnel designated for this purpose, whenever such consultation is required or indicated.

4. Specific Understandings:

a. Security: It is agreed that all aspects of security control in connection with contracts under this agreement are the responsibility and province of CIA. The Air Force shall be guided by the CIA in the discharge of Air Force security responsibilities under these contracts and the Air Force shall lend to CIA all assistance and cooperation in maintenance of the necessary level of security. Clearance requirements for the KEDLOCK Program will be handled through AFCIG-5 in the same manner as the basic OXCART Program.

b. Modifications:

(1) The basic concept governing the procurement of aircraft under the airframe contract contemplates that three (3) LRI versions of the A-12 will be procured as prototypes and test beds for the early development and possible acquisition of a follow-on program of a greater number of AF-12's configured as long range interceptors. It is anticipated that 80% of the design and development effort on the A-12 will be applicable to the Air Force LRI version. With the exception of the design criteria necessary to develop

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the LRI, all other aspects of the AF-12 will be as nearly identical as possible to the original A-12 version in order to effect the greatest percentage of interchangeability possible. Any modifications desired by the Air Force, exclusive of those required solely for development of the LRI, shall be made known to the CIA for purposes of determining whether such modifications are of interest to the CIA with respect to its own procurement of aircraft.

(2) With particular reference to mission equipments, it is recognized that the Air Force will desire installations peculiar to its own mission and not necessarily within the scope of current CIA contractors. In those areas where the Air Force desires to procure equipments from suppliers not presently under contract to CIA, the CIA will, where security requires and permits, place such a contract with the sources desired by the Air Force.

c. Progress Reports: Progress Reports under these contracts shall be submitted to the Air Force Project Office. The Contracting Officer will also receive a copy of each progress report for review and/or retention.

5. Implementation - CIA Responsibilities:

a. Negotiate and execute contracts, together with the administration and settlement thereof, in furtherance of written requirements from the Air Force representative to the Contracting Officer.

b. Issue to contractors from time to time change orders to the contracts to reflect additional or changed work requirements indicated in writing to the Contracting Officer by the Air Force representative. (Any and all changes in contract requirements and specifications whether involving additional costs or whether involving no additional costs shall be issued to the Contractor through the Contracting Officer).

c. Pay progress payments as contractually appropriate during life of contracts.

d. Establish a secure payment procedure for vouchers submitted by the contractors.

e. Establish in conjunction with the Air Force a system of inspection and acceptance.

f. Arrange with the Contractors for periodic reports (fiscal, financial and work progress).

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g. Arrange with the Air Force and the contractors for an audit system utilizing cleared Air Force auditors.

h. Arrange for delivery and shipment of completed items.

i. Establish, with concurrence of Air Force, time and method of redetermination of the contract prices.

6. Implementation - Air Force Responsibilities:

a. Furnish written scope of work requirements for procurement guidance of CIA, including initial Letter Contracts, Definitive Contracts, and specifications or other changes desired by the Air Force regardless of whether or not such changes involve a change in the cost of the services and supplies.

b. Furnish inspection and acceptance personnel and perform inspection and acceptance duties by means of Air Force designated representatives.

c. Monitor contract performance from a technical standpoint and provide advice and guidance to the Contracting Officer thereon.

d. Furnish delivery and shipping instructions for completed items.

e. Furnish cleared audit personnel to be utilized on contracts for the advice and guidance of the Contracting Officer, Approving Officer, and Certifying Officer.

f. Furnish certification of satisfactory contractor performance from a technical standpoint for the advice and guidance of the Contracting Officer.

g. Furnish any other advice, guidance or material required by the Contracting Officer and available in the Air Force to effectively negotiate, administer, and settle all contracts for this project written by CIA on behalf of the Air Force.

h. Furnish any GFAC required for effective performance of the contract work.

7. Other Provisions:

a. As previously agreed by Mr. Bissell and Gen. Estes, LAC line ships 7, 12 and 13 will be configured as prototype AF-12's and assigned to the Air Force, thus affording an early Air Force evaluation of the LRI version.

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b. The Air Force will use CIA flight test facilities consistent with the dictates of security and program interests.

c. Representatives of the Air Force Project Office will participate in the early flight test evaluation programs of the A-12. Such participation being primarily in the interest of mutually furthering the development of the weapon system.

d. A representative of the Air Force office may participate, as deemed appropriate, in management meetings held from time to time during the development of the A-12.

APPROVED:

FOR CENTRAL INTELLIGENCE AGENCY

FOR DEPARTMENT OF THE AIR FORCE

BY SIGNED
Allen W. Dulles

BY /s/

TITLE Director

JOSEPH V. CHARYK
Under Secretary of the Air Force

DATE 25 AUG 1961

DATE 18 March 1962

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A. Introduction

1. Following the establishment of the National Reconnaissance Office and implementation of the National Reconnaissance Program, certain problems and incidents have occurred which have demonstrated a complete breakdown in the understanding of CIA's relationship to the NRP. A brief summary of the NRO history as well as a capsule narration of the various problems and incidents which have occurred during the NRO's young life are included herewith to acquaint you with the framework in which CIA is now called upon to cooperate. We feel that the requirement for an overall coordinating body of the National Reconnaissance Program is a sound one, but one in which CIA should play a managerial, as well as a coordinating role, as oppose to its present secondary membership.

2. In spite of the past differences with the Air Force which have taxed our relations seriously we feel that the situation is salvagable provided certain modifications and suggestions to the present NRO agreements and understandings are adopted which will grant the Agency a senior partnership in the NRP. These modifications and suggestions are amplified as recommendations within this paper.

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B. HISTORY

1. The National Reconnaissance Office and the National Reconnaissance Program were initially identified in writing on 6 September 1961 in a memorandum from the Deputy Secretary of Defense, Roswell L. Gilpatric, to Mr. Allen Dulles, the Director of Central Intelligence. That memorandum, which was concurred in by General C. P. Cabell, the then Acting Director, CIA, defined the management of the National Reconnaissance Program (NRP) and officially established on a covert basis a National Reconnaissance Office to manage the NRP. The Office was placed under the co-direction of the Under Secretary of the Air Force and the Deputy Director (Plans), CIA. It was charged to include a small special staff of personnel drawn from DOD and CIA. The Office was granted the charter of direct control over all elements of the total reconnaissance program, whether overt or covert. According to the 6 September memorandum, decisions of the National Reconnaissance Office "will be implemented and its management of the National Reconnaissance Program made effective: within DOD by the exercise of the authority delegated to the Under Secretary of the Air Force; within CIA, by the Deputy Director (Plans) in the performance of his presently assigned duties. The management and conduct of individual projects or

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elements thereof requiring special covert arrangements may be assigned to the CIA as the operational agency."

2. On 15 November 1961, a working level meeting was held between Colonel Martin, USAF and members of the OSA Staff. In that meeting, Colonel Martin said that Dr. Charyk's stated view was that the NRO would not become a single geographic entity confined to one office.

3. By 22 November, a working draft of the NRO functions and responsibilities was forwarded to the Agency for comment by Colonel Martin which designated CIA with the responsibility for security of the National Reconnaissance Program and the handling of black contracts; technical and operational management would be the sole responsibility of the Air Force with CIA participating on a target selection group. The CORONA Program was to continue under CIA operational management since the project at that time was nearing a close.

4. On 7 December 1961, Mr. R. M. Bissell, the DD/P, gave

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[redacted] Executive Secretary of the President's Foreign Intelligence Advisory Board, a document titled "The Division of Responsibility within the NRO." Mr. Bissell had received Dr. Charyk's agreement to the document by telephone prior to submitting it to

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[redacted] In that document, the NRO was acknowledged as being headed by co-directors, each of whom would act using the authority

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of his overt position within his own organization. With respect to major programs, it allocated responsibilities of the CORONA/MURAL/ARGON to CIA as primarily responsible for targeting, operational planning, and control of payload operation; development and procurement of photographic payloads and nose cones; and finally security. The Air Force was charged with launch scheduling and launching; orbit and recovery operations; and the development and procurement of boosters, orbit vehicles, and ELINT payloads. In the SAMOS Program, the Air Force was held primarily responsible for SAMOS with CIA in the supporting role particularly in target and security planning. The OXCART Program was the primary responsibility of the CIA with the Air Force in a supporting role. With respect especially to the later configurations of SAMOS and to other advance systems, the document stated that "consideration will be given to gradual modification of this distribution of responsibilities. In general, it is clear that Air Force elements will retain primary responsibility for operations and for fuel development and procurement. For the most part, these activities not only can but must be 'white,' that is conducted in a reasonably public fashion. CIA's main contribution will be in target planning serving as the communications channel for operational control and security and that development and

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procurement which must be 'black'." The paper went on to state "consideration will also be given in due time to the desirability of gradually converting the NRO into a more unified single office with a single directing head. This development presumably will require a delegation of authority from both the Secretary of Defense and Director of Central Intelligence to the Director of the NRO so as to permit him to exercise an appropriate degree of control over elements of both agencies. It might also render appropriate some re-distribution of responsibilities as between the two components of the NRO and a change in budgetary procedures."

5. On 20 March 1962, Dr. Scoville as the DD/R forwarded in a memorandum to the DCI an agreement for the management of the National Reconnaissance Program. In that agreement, which had been concurred in by Dr. Charyk, the Central Intelligence Agency was tentatively assigned the primary responsibility for OXCART and CORONA

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6. On 20 March, James Cunningham recorded the following comments relayed by Dr. Scoville concerning his meeting with the DCI on 19 March. In that memorandum, three major reactions of the

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DCI to the proposed NRO management agreement were as follows:

"a. The DCI does not favor a dual chairmanship for NRO. He believes that a single source must be the chairman with the other Agency's senior individual being the deputy chairman. The language of the agreement will not mention individuals as such, but the DCI is reportedly ready to concede to having Dr. Charyk as chairman, with Dr. Scoville as deputy or vice chairman. Within this general statement, however, the Director insists upon specific assignments of projects to each Agency; i. e., OXCART to CIA, SAMOS to USAF. Amplifying this, it is reasonable to infer that the senior responsible official will be determined in each case by the assignment of the project to a given group; i. e., Charyk to head SAMOS, Scoville to head OXCART.

"b. The DCI wishes to have language written into the draft agreement specifying that programing and even planning on all new collection systems will be done jointly by the NRO chairman and the deputy chairman.

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"c. Lastly, it is the Director's wish that CIA control,

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all security clearances for all programs within the purview of the NRO."

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7. On 2 April 1962, Dr. Charyk, as Under Secretary of the Air Force, forwarded a memorandum to the DD/R stating the delegation of responsibilities for the LANYARD Project. Within that Project, contract administration of the payload and those portions of the recovery system which must be procured under covert contract were assigned the responsibility of CIA. Technical management of all aspects of LANYARD including the payload were assigned to the Director of Special Projects, OSAF (General Greer). Operationally the CIA was charged with the responsibility for pre-mission planning and on-orbit operational decisions in the same manner as currently followed in the CORONA Project.

8. On 5 April, Dr. Scoville replied to Dr. Charyk stating CIA's agreement to accept responsibility for the operational aspects of the LANYARD Program as well as contractual administration for payload and certain recovery systems.

9. On 2 May 1962, the Director and Deputy Secretary of Defense co-signed the agreement between the Secretary of Defense and Director of Central Intelligence on the responsibilities of the National Reconnaissance Office. In that document, CIA was designated as an executive agent for the Director, NRO for those covert projects already

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under its management and such additional covert projects as are assigned to it by the Secretary of Defense and the Director of Central Intelligence. The Director, NRO was held responsible for funding the National Reconnaissance Program. [REDACTED]

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[REDACTED] CIA will be responsible for funding covert projects for which it has management responsibility. Secondly, the D/NRO was charged with the responsibility for all NRP contracts with CIA, as executive agent of the D/NRO, responsible for administering procurements and contracting for covert projects for which it is assigned responsibility. The D/NRO was held responsible for advance plans (post calendar year 1962) in support of the NRP. In view of the DCI's major responsibility to the NSC for all intelligence programs, all NRO advance planning will be coordinated with CIA.

10. On 3 May 1962, the DCI confirmed to the Deputy Secretary of Defense his agreement that Dr. Joseph Charyk be named Director of the NRO.

11. On 22 to 23 May, Dr. Charyk, General Greer, General Curtin, Colonel Martin, and Colonel Geary met with Dr. Scoville, Colonel Beerli, Mr. Gene Keifer, Mr. George Miller, and [REDACTED] in an effort to

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establish the mechanics to functionally carry out the May 2 agreement regarding the NRO.

12. On 15 June, Dr. Charyk forwarded a memorandum to the DD/R which stated, "In regard to our agreement that the NRO Staff should be put into a single office located as closely as possible to the D/NRO, I believe that the satellite operations functions requires an early resolution"; Dr. Charyk proposed that all satellite projects of the National Reconnaissance Program be handled in the same manner by a single operations unit of the NRO Staff, which staff would also make all on-orbit selection between target coverage options based on target, weather situation, or intelligence factors. He further proposed that the nucleus of the CIA satellite operations unit be integrated within the NRO Staff.

13. On 26 June, regarding the procedure for initiation of overflight reconnaissance, Dr. Scoville proposed to the D/NRO that the Committee on Overhead Reconnaissance would submit its recommendations on reconnaissance for U.S. intelligence needs to USIB, who in turn would forward its own recommendations to the NRO for submission to the Special Group. However, in the case of on-going programs which have already been suggested to the aforesaid procedure, COMOR will forward its recommendation for additional reconnaissance directly to the Special Group with information to the USIB and D/NRO.

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14. On 6 July 1962, Mr. McGeorge Bundy, Special Assistant to the President on Intelligence Matters, directed a memorandum to the Secretary of Defense and the Director of Central Intelligence wherein he remarked that the Foreign Intelligence Advisory Board in its report to the President noted the agreements that had been reached between the DCI and the Secretary of Defense with respect to the organization, management, and functioning of the NRO with the following comment: "We believe that the actual structure of the documents is inadequate to support an efficient organization when the present experienced and distinguished group moves on to other tasks. We therefore recommend a continuing study of a more satisfactory, permanent documentary basis for the NRO with particular references to existing NSC directives with which the present NRO plan may be in conflict." Mr. Bundy indicated that the President had approved the Board's recommendation and was therefore requesting the DCI and Secretary of Defense that appropriate implementing action be taken and that a joint report of the progress made be furnished to the President and the Foreign Intelligence Advisory Board by 15 September.

15. On 12 July in a memorandum to the Secretary of Defense from the DCI, as Chairman of the USIB, Mr. McCone stated, "The USIB also wished to note that they felt that the FIREFLY proposal had

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reached higher authority without adequate consideration by the NRO or the USIB. The Board therefore believes that in the future for this or any similar reconnaissance system, the NRO should first, as a result of coordinative development and testing, advise the USIB if the NRO believes that it is a suitable reconnaissance system including all necessary information on capabilities and characteristics of the system involved. The USIB would then consider the use of the system to meet appropriate intelligence requirements and make recommendations relative to targeting and priorities for consideration by higher authority."

16. On 19 July, Dr. Charyk, as Director, NRO, replied to the DD/R's memorandum concerning the procedure for initiation of over-flight reconnaissance. In that memorandum, Dr. Charyk stated that it was his opinion that as a normal procedure, the COMOR, which is solely concerned with requirements, should submit its ^{RECOMMENDATIONS} ~~recommendations~~ for U.S. intelligence needs to USIB. The USIB in turn would forward its recommendation to the NRO. The NRO would forward its specific recommendations to the Special Group for a decision. In cases where significant new factors entered or where new systems were ^{INVOLVED} ~~resolved~~, the NRO as a normal rule would forward its assessment to USIB for comments and would include these in its portion to the Special Group.

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In the case of on-orbit programs, the NRO treatment would be perfunctory, but Dr. Charyk felt it desirable that all such matters go to the Special Group through the NRO since under the charter the NRO had the operational responsibility for the total effort.

17. On 23 July 1962, Dr. Charyk, as Director, NRO forwarded a memorandum to NRO Program Directors and the Director of the NRO Staff outlining the organization and functions of the NRO. In outlining the overall concept of the organization and operation of the NRO, Dr. Charyk established the NRO as an operating agency separately organized, concealed entirely within other agencies using personnel and other resources of these agencies on a full- or part-time basis as required. The NRO was designed to consist of the D/NRO, the NRO Staff, the NRO Program Directors, and their Project Directors, and any Staff Officers at that present time. At that time, there were two NRO Program Directors: the Director, Program A being responsible for the NRP^{SATELLITE EFFORT}, AND THE DIRECTOR, PROGRAM B RESPONSIBLE FOR THE NRP conducted by the NRO through utilization of CIA resources.

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Directors would be responsible directly and solely to the D/NRO. The D/NRO assumed responsibility for all funding of the NRP. All covert

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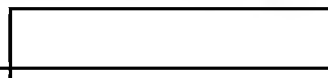
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funds would be budgeted by the CIA, and all covert NRP contracts

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let by the CIA as executive agent for the D/NRO.

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The D/NRO would assign operational control for aircraft projects to the appropriate Program Director. The NRO Staff will keep the D/NRO currently informed of the status of such operations. In the case of satellite projects, the NRO Staff would be responsible for actual mission planning from the standpoint of specifying desired targets to be covered, desired on-orbit target program options and approval of the actual mission target program. The staff would also make all on-orbit selection between target coverage options based on weather or intelligence factors. The NRO Staff also would be responsible for the NRO interface with USIB and for NRO coordination of all peripheral reconnaissance activities. Prior specific approval of the D/NRO would be required for any matter of the NRO or NRP to be processed with higher authority.

18. On 9 August 1962, Dr. Scoville, by way of memorandum, advised Dr. Charyk of his complete agreement in holding final control of satellite mission planning and the matching of intelligence collection requirements and satellite collection capabilities in Washington and that

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such control can be usefully centralized in a single location in the Pentagon. Dr. Scoville indicated that he questioned the need for great urgency in any transfer physically or organizationally in the CORONA/MURAL Program. He preferred to make such changes, i. e., integration of CIA personnel into the NRO Control Center at more leisure with attendant greater confidence so that no procedural mishap would occur during any change-over. In conclusion, Dr. Scoville stated that it must be understood and agreed that operational control of satellite reconnaissance by this means, i. e., NRO Control Center be confined to satellite programs and not expanded in the future to include certain other activities. Dr. Scoville said that he believed that the operational control center for such aircraft programs as TACKLE, etc., should be maintained in Langley Headquarters.

19. On 21 August, Dr. Scoville agreed with Dr. Charyk's proposal regarding the procedure for initiation of overflight reconnaissance. However, he continued with the proposal that in the case of on-going programs, it will be the responsibility of the Project Director for a given program to consult with the Director, NRO where new factors are resolved, such as the introduction of a new subsystem or where new and unusual risk or sensitivity has arisen. In the absence of such,

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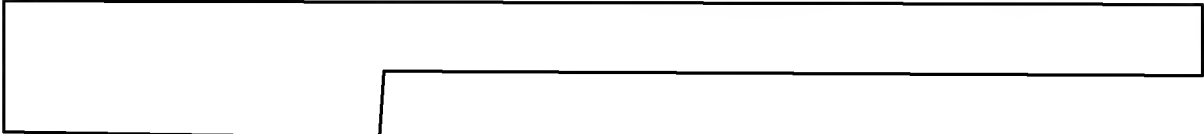
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the D/NRO will look to the specific Project Director to exercise the NRO responsibility as a means of expediting the movement of recommended acts for an on-going program to the Special Group for approval.

20. On 29 August, Dr. Scoville submitted to Dr. Charyk the budgetary procedures for CIA portion of the NRP.

21. On 29 August 1962, Dr. Scoville forwarded his comments on the organization and functions of the NRO as proposed by Dr. Charyk on 23 July. Although concurring in general, Dr. Scoville proposed that the DD/R be designated as a Senior CIA Representative



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22. On 10 September, Dr. Charyk wrote that we should proceed expeditiously in developing a satellite control center in the Pentagon and that the CORONA/MURAL operational planning team be integrated into it.

23. On 13 September, Dr. Charyk accepted the concept of a relatively Senior CIA Representative to be accredited to the NRO Staff and would ^{also} ~~then~~ approach Gilpatric to name Dr. Scoville as Deputy D/NRO.

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24. On 26 September, Dr. Scoville identified to the D/NRO
the CORONA/MURAL operational planning team as [REDACTED]

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26. On 5 October, Dr. Scoville reported the following concerning a meeting with Secretary McNamara, Deputy Secretary Gilpatric, D/NRO, and the DCI wherein Mr McCone presented a paper relative to the revision of the NRO organization to eliminate the present dual reporting feature for the D/NRO and the establishment of the Secretary of Defense as Executive Agent to the National Reconnaissance Planning Group. In commenting on the proposal, Secretary McNamara stated that he had reservations on the requirement for a special organization for reconnaissance and did not understand why in the long run this could not be handled by normal intelligence organizational procedures. Secretary McNamara indicated that while he was satisfied for the present with the existing NRO organization, he would review Mr. McCone's paper and discuss it with him at a later date."

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25X1 27. On 17 October, D/NRO assigned DOD to manage and operate all FIRE FLY drones against Cuba under NRO supervision and with CIA assistance [] contracting, and security.

25X1 28. On 17 October, D/NRO refused the assignment of [] of CIA to the NRO Staff with the statement, "I feel that we already have all of the full-time staff personnel necessary to accomplish the functions assigned to the NRO Staff by ^{my} ~~my~~ 23 July 1962 memorandum. "

25X1 29. On 17 October, in a memorandum addressed to DD/R, the D/NRO assigned NRO management responsibility for the development of the AQ-12 drone project to Director []. Dr. Charyk went on to state, "In view of the potential importance of this effort, I believe that it should be established now on a separate project basis under a full-time project manager reporting directly to you. I am prepared to assign Lieutenant Colonel Henry Howard from NRO Staff to the Director [] for this important task. "

25X1 30. On 26 October, in a memorandum signed by the DD/R to D/NRO, Colonel Ledford, [] assumed managerial responsibility for the AQ-12 drone project and concurred in assignment of Lieutenant Colonel Howard as project officer for the AQ-12.

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C. Problems and Incidents

In order that we may set the stage for our recommendations concerning the NRO, we wish to highlight several incidents involving the NRO/CIA relationship. We do this reluctantly, realizing that the replay of any incident is subject to a loss of objectivity and context. We do feel, however, that the compounding of the several incidents reveals a certain trend within the NRO and that their recitation is essential in order to appreciate the atmosphere which now surrounds the Agency in the NRO.

1. a. An urgent situation now facing CIA in the NRO is the procedure concerning the handling of funds. In July 1962, while outlining the basic organization and functions of the NRO, Dr. Charyk stated that the D/NRO is responsible for all funding of the NRP. He went on to indicate that all covert funds would be budgeted by the CIA. [REDACTED]

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b. On 29 August 1962, Dr. Scoville replied to Dr. Charyk by pointing out the Agency as a legally separated entity budget-wise from the Defense Department. Dr. Scoville proposed an operating procedure for handling CIA/NRO funds which in effect agreed that the D/NRO should present and defend the NRP Budget to the Bureau of the Budget, but that CIA would defend its portion of the NRP to Congress. After Congress had approved the CIA program, including

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those for the NRO, and provided the funds, Dr. Scoville would look to the Bureau of the Budget to apportion these funds to the Agency in the normal manner.

c. Dr. Charyk orally expressed his disagreement with the 29 August proposal; and after several discussions, a second Agency proposal was submitted to Dr. Charyk on 6 September 1962. The second CIA proposal strengthened the earlier one with the addition of the stipulation that should there be surpluses in the amounts of CIA/NRP funds, the surpluses would be available to the DD/R and the Director, CIA for application to other NRO programs as the D/NRO may suggest.

d. On 11 September 1962, Dr. Charyk and Dr. Scoville met again on the budget but could not reach agreement. Following this meeting, Mr. Bross was appointed action officer to prepare a staff study of the problem for the Director.

e. On 5 October in a meeting with Secretary McNamara, Deputy Secretary Gilpatric, and the D/NRO, the DCI presented his views regarding the NRP budget. In that presentation the DCI stressed his desire to have a single NRO program and budget which would be presented to the Bureau of the Budget with an indication of the portions for which CIA, Air Force, Navy, etc., should have the responsibility.

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The DCI stated that CIA would defend its portion of the NRP budget through its normal procedures with Congress and that money would be appropriated to it through BOB in the same fashion as the remainder of the CIA budget.

f. Secretary McNamara in response to the DCI stated that the only question was the preservation of the integrity of the NRO funds and program. He felt that it was essential that none of the agencies could transfer funds which had been designated and defended for NRO purposes to other non-NRO projects. Mr. McCone concurred in this and indicated that any such transfers would have to be approved by the Secretary of Defense and the DCI.

g. Following this understanding, Dr. Charyk has continued to pursue and endorse the process whereby Agency NRP funds would be appropriated to the NRO, which in turn would transfer them to the Agency as needed. His failure to accept the Agency's reasoning has resulted in a stalemate concerning receipt by CIA of NRP funds. As the fiscal year moves along, the financial inconvenience of this delay is paramount.

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2. As the Cuban crisis began to unfold, the NRO was put to its first real test regarding the flow of timely information from Air Force to CIA. On 15 October, during a meeting in McGeorge Bundy's office, the D/NRO was commissioned to coordinate with CIA and the Air Force a reconnaissance plan for Cuba. CIA has yet to be contacted regarding such a program. As the tempo of reconnaissance was increased by the Air Force and Navy, details concerning the mission schedule and planned activity were denied CIA, although Agency aircraft and assets were at the time being employed by SAC. Repeated phone calls to the NRO from CIA were either ignored or guaranteed information never received. Final access to DOD information was only achieved after CIA detailed an air operations officer to the JRC/JCS. We will admit that the responsibility for Cuban reconnaissance was in all reality taken from the NRO by the military services, however, during the period of scant information Dr. Scoville protested to Dr. Charyk that CIA was not being included in certain information channels. Dr. Charyk stated clearly that he was not trying to keep CIA informed on everything the NRO was doing. He further stated that he would only make information available to CIA on those programs which were specifically CIA's responsibility, per agreement which "Mr. McCone had drawn up" and which had been agreed to. (The document to which Dr. Charyk referred was the rewrite

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of the NRO-CIA basic agreement prepared by Mr. McCone and given to Mr. McNamara for his comments on 5 October. It was Dr. Scoville's understanding that this documents had not been signed by Mr. McCone.) Dr. Charyk went on to say that he did not report to anyone but Mr. McNamara and that the NRO was not a joint operation at all. If Mr. McCone has any other understanding, Dr. Charyk suggested that he (Mr. McCone) speak to Secretary McNamara.

3. When a SAC pilot was lost in an Agency aircraft, the Air Force delayed for nearly a week before providing us with information relative to the mission and probably reasons for his loss.

4. On 28 October, following a special session of the National Security Council, the D/NRO requested the Agency to prepare for the immediate contingency that aerial surveillance of Cuba would be delegated by the U.N. to civilian airlines. The Agency contacted various companies throughout the U.S. and Canada and held them on stand-by pending a final determination. Dr. Charyk was provided this information for presentation to the U.N. on Sunday afternoon. By ten o'clock Sunday night, having received no further word, Dr. Scoville telephoned Dr. Charyk to inquire of the status and was informed that it was simply a dead issue.

5. After agreeing on 13 September 1962 to approach Deputy Secretary Gilpatric to name Dr. Scoville as Deputy Director/NRO, Dr. Charyk has evaded any further reference to the subject. Subsequent correspondence

from D/NRO to the DD/R has referred to Dr. Scoville as Director

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Page Twenty-ThreeD. Discussion and Recommendations

1. As the problems and various incidents related above would indicate, the National Reconnaissance Office in its present form is not functioning as we would desire and too often has been the arena for misunderstanding between the Air Force and the CIA. Possibly the extreme overbalancing of the NRO staff by Air Force personnel without CIA participation or membership other than security, has resulted in NRO decisions and designations to be reached without the full appreciation of the interest of CIA. We look for no early resolution of this situation since the Director, NRO has ignored our repeated requests to name Dr. Scoville as Deputy Director/NRO and does not agree with the assignment of an Agency career employee to the NRO Staff.

2. It is suggested that the basic concepts inherent in the establishment of the National Reconnaissance Office remain as valid and necessary today as they did when they first prompted the formation of the NRO. In its present role, however, we have found the NRO to be an ineffective means of discharging the responsibilities of the CIA. The exclusion of CIA from overall NRP activities undoubtedly stems from the contention within the Pentagon that the DD/R is merely a Program Director within the NRO organization and should not be knowledgeable of, nor concerned with, the planning and implementation of the entire NRP activity.

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3. If this understanding is correct, then it would remain the responsibility of the D/NRO to keep the DCI informed on the NRP. History to date, as evidenced by the Cuban crisis, had indicated that this is not the case as the D/NRO referred pertinent information solely to the Secretary of Defense.
4. The variety of incidents can only lead us to conclude that a mutual relationship within the NRO has not, and will not be consummated in its present form. Yet we believe that the Agency, in view of its charter and responsibility to the Intelligence Community should enjoy a definite voice concerning the overall NRP activities as well as receive current and timely information on each and every project within the NRP as it relates to the intelligence spectrum as a whole.
5. Although unchecked sentiment may compel us to recommend withdrawal from the NRP, we have agreed that a dissolution of the NRO and NRP would place the Agency and DOD departments in the posture of once again conducting parallel reconnaissance activities and developments. We further contend that the concept for a coordinating body was born out of necessity and that sound management of a Government-wide reconnaissance program would dictate its continued existence.
6. Accepting the continuation of the NRP, we advocate that the DD/R continue to be the focal point within the Agency to oversee the Agency's interests in the NRP. In view of the close working relationship

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which the DD/R and its predecessor had with the Air Force for the past six years in the development and conduct of IDEALIST, OXCART, CORONA, and MURAL, it is logical that this unit coordinate and implement the Agency's responsibilities to the NRO. In fact, the first discussions of the NRO were to the DD/R the mere official recognition of that state of close coordination which already existed between the Air Force and the CIA. The DD/R, however, understood that the NRO would provide now the forum for the Air Force to apprise the CIA of DOD activities and permit the Agency to derive the benefit of the various programs and developments within the DOD. Once sanctioned, unfortunately, the NRO did not provide a reciprocal mechanism for any such interchange. In retrospect, we feel that we, on our part, have acted in good faith in keeping with the goal of providing maximum benefit to the Government as a whole in the conduct of a broad program of reconnaissance under the NRO auspices. Illustrative of this point, SAMOS, as you know, has met more than its share of hard luck; on the other hand, CORONA/MURAL has been extremely successful and to date is the only operational U.S. photo-reconnaissance satellite. In order to permit the Air Force to profit by our success and experience operationally, we agreed to integrate our CORONA/MURAL operations officers into the Pentagon Control Room facility. Although it was

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planned that this newly established facility would control all satellite reconnaissance operations, the CIA personnel, who possessed the only operational satellite reconnaissance experience within the U.S. Government, were assigned by the D/NRO to secondary post.

7. In reviewing the history and decisions of the NRO to date, we strongly suspect that the Agency's legislative and contractual flexibility has wooed the Air Force to the marriage within the NRO, and not our operational and developmental aspects. Yet when one looks at the accomplishments of IDEALIST, CORONA/MURAL and the potential of OXCART, it is evident that the Agency has contributed immensely to intelligence by reconnaissance vehicles and systems developed and operated by the CIA.

8. To more fully utilize the experience which the Agency has in the reconnaissance and reconnaissance systems field, as well as to satisfy the Agency's charter responsibility to the Intelligence Community, we propose for your consideration two recommendations, either one of which if implemented should meet all the requirements for the coordination and direction of a national reconnaissance program. The first recommendation, and the one which we prefer, would modify the present NRO/NRP agreement to place the Agency in the day-to-day managerial as well as coordinating role of the national reconnaissance program.

A proposed modified NRO agreement is submitted herewith as

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Attachment A. In essence, the more noteworthy modifications:

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- a. Designate the DD/R as Deputy Director/NRP with full cognizance over the NRP.
- b. Place the burden of the NRP operations upon the various Program Directors who would retain the responsibility for coordinating the activities of their respective programs, including the preparation of recommendations for Special Group consideration. Each Program Director would in effect provide the staff functions now envisioned for the NRO staff, thus eliminating in many instances duplication of staff work. The D/NRP and DD/NRP would be the focal points for coordinating and directing the Program Director's activities.
- c. In view of the assumption of certain NRP procurement responsibilities by the CIA, assign a qualified CIA budget and finance officer to that office within the Pentagon designated to handle NRP funds.

C.d. Establish the NRP with a war-time mission responsible for military requirements levied by the Joint Chiefs of Staff. By so doing the military services could be relieved of the responsibility of duplicating the assets of the NRP in time of peace, in order to meet wartime responsibilities. By way of example; SAC is presently exploring the establishment of a capability to take over our CORONA/MURAL asset in time of war. If the NRP had a defined wartime mission, SAC could be relieved of the responsibility of duplicating our capability thus also easing a potential security problem inherent with SAC moving into the

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satellite reconnaissance field.

2. Designate CIA as the Executive Agent for the D/NRP to coordinate and control the processing and dissemination of ^{PRODUCT} ~~intelligence~~ collected by the NRP Projects.

9. Although it would not necessarily have to be cited in the agreement, we feel it should be understood that the Agency will retain its own control room for the conduct of those operations assigned by the D/NRO to CIA. Those projects such as CORONA/MURAL/ARGON, LANYARD, IDEALIST, and OXCART which are operationally controlled by CIA as well as future covert operations, will be conducted as they now are from the control room at Langley Headquarters. Those projects controlled by the Air Force such as SAMOS [REDACTED] and other NRP projects will be operationally controlled from the Pentagon or wherever the Executive Agency may be located. Communications lines now in existence between Langley and the Pentagon [REDACTED]

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[REDACTED] will permit flight following information of each other's projects. Commo may be expanded as other services are brought into the NRP, with the result that both Dr. Charyk and Dr. Scoville as D/NRP and DD/NRP respectively will receive simultaneous information relative to the conduct of each project as it unfolds.

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10. The second recommendation is to assign the responsibilities for the development and conduct of the national reconnaissance program to a newly established subcommittee of USIB. As such it would obviate the need for a NRO per se, however, the same coordination and direction could be achieved, possibly with greater representation and appreciation of each member's interests.

a. The subcommittee would recommend to the Chairman of USIB those agencies or services responsible for the development of specific reconnaissance systems and those responsible for the operation of the reconnaissance vehicles now in being. This would not preclude joint operations such as now exist with the Air Force and CIA in the IDEALIST, OXCART, CORONA/MURAL and LANYARD Projects.

b. The committee would in effect be the brokerage house for all activity and information regarding reconnaissance projects and reconnaissance systems. Representation on such a subcommittee would be limited to those departments, services, and agencies concerned with the actual conduct of the reconnaissance program, and such other members as the Chairman, USIB may direct. Such a forum would permit equal voice and representation for all services as well as place the program within that governmental structure, namely USIB, primarily concerned with the overall national intelligence interests.

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c. Unresolved disagreements within USIB would be referred by the Chairman to the Special Group, or higher authority if necessary, for resolution.

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Agreement Between
Secretary of Defense and the Director of Central Intelligence

on

National Reconnaissance Planning and Operations

Definitions:

NRPG - National Reconnaissance Planning Group

NRP - National Reconnaissance Program, to consist of all overt and covert satellite and overflight projects for intelligence, geodesy and mapping photography and electronic signal collection

Responsibilities:

The National Reconnaissance Planning Group (NRPG), consisting of the Secretary of Defense and the Director of Central Intelligence, is responsible for providing policy and program guidance for the National Reconnaissance Program (NRP) and for making final determinations in connection therewith which do not require the exercise of higher authority. There is hereby established a Director/NRP responsible for implementing plans and policies developed by the NRPG, and for managing and directing the NRP in such manner as to insure the most effective utilization of the particular talents, experience, and capabilities within the Department of Defense and the Central Intelligence Agency. The Secretary of Defense, with the concurrence of the Director of Central Intelligence, designates the Director and Deputy Director of the National Reconnaissance Program (DNRP), who are responsible for the operation of that program in accordance with the following terms and conditions:

1. Requirements and Priorities:

The NRP will be directly responsive to, and only to, the photographic and electronic signal (SIGINT) collection requirements

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and priorities established by the United States Intelligence Board and will develop the over-all reconnaissance program to satisfy these requirements.

2. Management:

a. The technical management responsibility for all the NRP is assigned to the D/NRP. Under this over-all responsibility for NRP, D/NRP will utilize existing resources in the following manner:

(1) CIA will be the Executive Agent for D/NRP to operationally control those covert projects already under its management and such additional covert projects as are assigned to it by the NRPG. The D/NRP will designate the appropriate military service as Executive Agent to control those NRP projects of an overt nature.

(2) To provide for full use of available capabilities and resources, and to provide for interface with data exploitation equipment development by agencies outside the NRP, personnel of Army, Navy, Air Force, and CIA, may be assigned, on a full-time basis, to appropriate positions within the NRP under the Program Directors who will be designated as Executive Agents for the D/NRP.

(3) A firm liaison channel between the NRP and the NSA will be established as an adjunct to the technical management structure of signal collection projects, and the conduct of such projects carried out in accordance with the exploitation responsibilities of the NSA.

(4) Planning will encompass maximum utilization of the technical and operational resources of the DOD, the Army, Navy, Air Force, NSA, and the CIA to support all collection programs, including, but not limited to, electronic signal and photographic collection programs.

(5) CIA will be Executive Agent for the D/NRP to coordinate the processing and dissemination of ^{intelligence product} acquired by the NRP projects.

b. Financial Management:

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3. Security:

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In accordance with the basic responsibility of the Director of Central Intelligence for protection of intelligence sources and methods, CIA will establish security policy for the NRP, including provision for a uniform system of security control and appropriate delegations of security responsibility.

4. Operations:

a. Scheduling: The mission schedule for all NRP efforts will be the responsibility of D/NRP, subject to coordination with CIA on covert projects for which it is Executive Agent and the obtaining of appropriate clearances where required from higher authority. Operational control for individual projects under the NRP will be assigned to the DOD or to the CIA by the D/NRP in accordance with policy guidance from the NRPG. D/NRP will be responsible to assure that mission planning will make full use of all intelligence available in the community.

b. Format: The D/NRP will be responsible for the format of the collected ~~NRP~~ product as follows:

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(1) Photographic format will include the initial chemical processing, titling, production and delivery to the users as specified by the USIB, through CIA in accordance with paragraph 2. (5). 25X1

c. Engineering Analysis: The D/NRP will be responsible for engineering analysis of all collection systems to correct the problems that exist on the operating system as well as to provide information for new systems. In connection with covert projects for which CIA is Executive Agent, this responsibility will be carried out under the supervision of CIA.

d. In time of war or whenever designated by the NRPG, the D/NRP and NRP assets will be responsive to requirements levied by the Joint Chiefs of Staff.

5. The D/NRP is responsible for advanced plans ~~(post CY-1962)~~ in support of the NRP. In view of the DCI's major responsibility to the NSC for all intelligence programs, all NRP advanced planning will be coordinated between the Director and Director/NRP.

6. Public releases of information will be the responsibility of the DNRP subject to the security guidance of CIA.

7. The Deputy Director (Research), CIA, will be responsible for seeing that the participation of CIA in this Agreement is carried out.

John A. McCone
Director of Central Intelligence

Roswell L. Gilpatric
Deputy Secretary of Defense

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